

**ANALYSIS OF THE CASH BALANCE OF THE DEVELOPMENTALLY DISABLED FACILITY LOAN FUND
PROGRAM NO. 1 FOR THE 1999-2001 AND 2001-03 BIENNIUMS**

	1999-2001 Biennium	2001-03 Biennium
Beginning balance	\$251,443	\$0
Add estimated revenues		
Loan repayments	\$906,789	\$874,423 ³
Investment income	49,246	20,666
Total estimated revenues	956,035	895,089
Total available	\$1,207,478	\$895,089
Less estimated expenditures		
Loans		
Department of Human Services (1999 SB 2012, 2001 HB 1012)	\$1,172,231 ¹	\$870,979 ⁴
Administrative service fees	35,247	24,110
Total estimated expenditures	1,207,478	895,089
Estimated ending balance	\$0 ²	\$0 ⁵

¹ Although the 1999 Legislative Assembly appropriated \$1,192,700 from this fund to the Department of Human Services for the 1999-2001 biennium, based on projected revenues and expenditures, it is estimated only \$1,172,231 of the \$1,192,700 appropriation will be available during the 1999-2001 biennium.

² Section 15 of 1999 Senate Bill No. 2015 authorizes the Department of Human Services to sell, during the last six months of the 1999-2001 biennium, developmental disabilities loans to the Bank of North Dakota to the extent necessary to provide up to \$2,150,000 of proceeds to be transferred to the general fund as requested by the director of the Office of Management and Budget. The director of the Office of Management and Budget may request these loans be sold in order to maintain the legislative ending general fund balance of \$11,318,856. The Office of Management and Budget does not anticipate selling these loans during the 1999-2001 biennium.

³ Collections by the Bank of North Dakota on outstanding loans are approximately \$36,400 per month.

⁴ Although the 2001 Legislative Assembly in House Bill No. 1012 appropriated \$871,765 from this fund to the Department of Human Services for the 2001-03 biennium, based on the projected revenues and expenditures, it is estimated that only \$870,979 of the \$871,765 appropriation will be available during the 2001-03 biennium.

⁵ The 2001 Legislative Assembly authorized the Department of Human Services, at the request of the director of the Office of Management and Budget, to sell the remaining loans in this fund to the Bank of North Dakota at the end of the 2001-03 biennium and to deposit the proceeds estimated at \$2 million in the general fund. As a result, there will no longer be a cash balance in this fund that will be available for appropriation to the Department of Human Services.

The developmentally disabled facility loan fund program (loan No. 1) was established in 1981 by appropriating \$4 million from the lands and minerals trust fund to create the revolving fund to provide loans for intermediate care facilities for developmentally disabled persons and residential facilities for physically disabled persons.

As of March 31, 2001, outstanding loans of the developmentally disabled facility loan fund No. 1 program total \$2,660,112. Developmentally disabled facility loan fund programs Nos. 2 and 3 are authorized by North Dakota Century Code (NDCC) Chapter 6-09.6 to borrow funds from the common schools trust fund to finance the programs. The outstanding loan balance on March 31, 2001, for program No. 2 is \$2,392,306 and for program No. 3 is \$3,011,242.

SUMMARY OF DEVELOPMENTALLY DISABLED FACILITY LOAN FUND PROGRAMS NOS. 1, 2, AND 3

The following provides information regarding the statutory provisions of the developmentally disabled facility loan fund programs.

The first developmentally disabled facility loan fund program (loan No. 1) was established in 1981 by appropriating \$4 million from the lands and minerals trust fund. According to NDCC Section 6-09.6-01, the purpose of the program is to create a revolving loan fund which provides loans for the establishment of facilities for developmentally disabled, chronically mentally ill, and physically disabled persons. The Bank of North Dakota is responsible for maintaining the loan fund. All moneys transferred into the fund, interest earned upon moneys in the fund, and collections of interest and principal on loans made from the fund are appropriated for providing loans in accordance with the intent of the program.

The second developmentally disabled facility loan fund program (loan No. 2) was created in 1983 in accordance with NDCC Section 6-09.6-01.1. The law provides the authorization for the loan fund to borrow up to \$5 million from the common schools trust fund to fulfill its purpose, which is to provide means for the establishment of facilities for developmentally disabled, chronically mentally ill, and physically disabled persons. All payments of principal and interest received by the loan fund and any interest earned by the loan fund must be credited to the lands and minerals trust fund after service fees have been deducted by the Bank of North Dakota for administration of the fund. Moneys in the lands and minerals trust fund are appropriated to repay moneys borrowed by the loan fund from the common schools trust fund.

The third developmentally disabled facility loan fund program (loan No. 3) was established in 1985 by NDCC Section 6-09.6-01.2. The loan fund received authorization by law to borrow up to \$4,951,145 from the common schools trust fund. The purpose of the third loan fund remains consistent with the first two developmentally disabled facility loan funds, which is to provide means for the establishment of facilities for developmentally disabled, chronically mentally ill, and physically disabled persons. All payments of principal and interest received by the loan fund and any interest earned by the loan fund less service fees deducted by the Bank of North Dakota for administration of the fund must be paid to the lands and minerals trust fund. Moneys in the lands and minerals trust fund are appropriated to repay moneys received by the loan fund from the common schools trust fund.